

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON APPROPRIATIONS**

**Call to Order:** By **CHAIRMAN DAVE LEWIS**, on April 24, 2003 at  
11:20 A.M., in Room 102 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Dave Lewis, Chairman (R)  
Rep. Rosalie (Rosie) Buzzas, Vice Chairman (D)  
Rep. Edith Clark, Vice Chairman (R)  
Rep. John Brueggeman (R)  
Rep. Tim Callahan (D)  
Rep. Stanley (Stan) Fisher (R)  
Rep. Eve Franklin (D)  
Rep. Dick Haines (R)  
Rep. Donald L. Hedges (R)  
Rep. Joey Jayne (D)  
Rep. Carol C. Juneau (D)  
Rep. Dave Kasten (R)  
Rep. Christine Kaufmann (D)  
Rep. Monica Lindeen (D)  
Rep. John Musgrove (D)  
Rep. Jeff Pattison (R)  
Rep. Rick Ripley (R)  
Rep. John Sinrud (R)  
Rep. John Witt (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Jon Moe, Legislative Branch  
Mary Lou Schmitz, Committee Secretary

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: SB 493, 4/22/2003  
Executive Action: SB 493, SB 483

**EXECUTIVE ACTION ON SB 483**

**CHAIRMAN LEWIS** said this bill was voted unanimously out of committee yesterday then subsequently they found out it had to have a rules suspension.

**Motion:** REP. SINRUD moved that SB 483 BE CONCURRED IN.

**Substitute Motion/Vote:** REP. BUZZAS made a substitute motion that SB 483 BE TABLED. Motion failed 8-11 with REPS. BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting yes on a roll call vote.

**Vote:** Motion that SB 483 BE CONCURRED IN carried 11-8 with REPS. BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting no on a roll call vote. REP. LEWIS will carry bill on House floor.

**HEARING ON SB 493**

**Sponsor:** REP. JOHN BRUEGGEMAN, standing in for Sponsor, SENATOR BOB KEENAN, SD 38, Bigfork

**Opening Statement by Sponsor:**

REP. BRUEGGEMAN said it was noticed that there was \$3.7 million too much in revenue that was created in HB 261. This bill will put that extra money in the General Fund in light of the situation the legislature is facing.

**Proponents' Testimony:** None

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

REP. BUZZAS asked, "How much money has been spent to date on the current POINTS system?" REP. BRUEGGEMAN said about \$34 million in bonds. To get an accurate picture, other costs have to be considered. The estimate is upward to \$60 million. The bonding for a new system will be about \$19 million or \$21 million. There are about \$4 million to \$5 million in federal funds that will be used for the Department of Labor to revive the MAX system and use the UI for the UI tax collections back over to the Department of

Labor. Withholding oil and gas tax and the UI system, Unemployment Insurance tax, will be about \$26 million. That \$26 million will be ongoing for some time. The whole project would probably be about \$40 million.

**CHAIRMAN LEWIS** said a rough estimate was given to the committee previously for about \$30 million for POINTS and then another \$30 million in the next biennium.

**REP. LINDEEN** asked **REP. BRUEGGEMAN** to explain how the \$3.7 million excess appeared. **REP. BRUEGGEMAN** said he could not explain it.

**REP. HAINES** said when they put HB 261 in place, they had an estimate of \$24 million over ten years and they already had \$4 million appropriated and have been operating with that during the last biennium, so \$16 million was passed through all of the process. Part of that process was an increase in license fees and that was going to generate X million dollars so the bonding could be paid back. At the same time, early in the process, since the extra fee on the licensing was the same for all ten years, it was going to generate more in the beginning than they needed. That is the \$3.7 million. The intent was to reduce the amount of bonding as they were going to be able to finance some of the process by using some of the licensing money. It was not intended to be used this way.

**REPS. JUNEAU, HAYNES, JAYNE, LEWIS, FRANKLIN, KAUFMANN** and **BRUEGGEMAN**, discussion and comments.

*{Tape: 1; Side: A; Approx. Time Counter: 0 - 29.3}*

**REP. LINDEEN** asked **Larry Fasbender, Department of Justice**, to clarify what occurred as far as any direction from the Executive was given regarding this issue. **Mr. Fasbender** said HB 261 provided the mechanism whereby they can continue to operate the computer system for motor vehicles. That allowed his department to borrow \$18 million from the Board of Investments. HB 261, as written, allowed them to either borrow money or generate cash that would ordinarily be used to pay the debt service. They have done that, where the first phase is concerned, in order to keep their interest costs down. The interest plus principle over the ten years of the loan would generate about \$25 million. At a 4% interest rate, it would cost about \$22.5 million.

**CHAIRMAN LEWIS** said the Department of Justice and the Attorney General are separate elected officials. If the budget director asks him for \$3.7 million, Mr. Fasbender can say no. **Mr. Fasbender** said it is a choice the legislature gets to make.

Closing by Sponsor:

REP. BRUEGGEMAN closed the hearing on SB 493.

EXECUTIVE ACTION ON SB 493

Motion: REP. BRUEGGEMAN moved that SB 493 BE CONCURRED IN.

Discussion:

REPS. KAUFMANN, BUZZAS, HAYNES, and KASTEN, offered their comments for and against the bill.

Motion/Vote: REP. JAYNE moved that SB 493 BE CONCEPTUALLY AMENDED to transfer \$3.7 million to the Department of Public Health and Human Services from the Motor Vehicle Information Technical. Motion failed 8-11 with REPS. BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting yes on a roll call vote.

Substitute Motion: REP. BUZZAS made a substitute motion that SB 493 BE TABLED. Motion failed 9-10 with REPS. BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN, MUSGROVE and SINRUD voting yes on a roll call vote.

Vote: Motion that SB 493 BE CONCURRED IN carried 10-9 with REPS. BUZZAS, CALLAHAN, FRANKLIN, HAINES, JAYNE, JUNEAU, KAUFMANN, LINDEEN and MUSGROVE voting no on a roll call vote. REP. BRUEGGEMAN will carry the bill on the House floor.

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**ADJOURNMENT**

Adjournment: 12:20 P.M.

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REP. DAVE LEWIS, Chairman

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MARY LOU SCHMITZ, Secretary

DL/MS

**EXHIBIT** (aph87aad)